

A called joint meeting of the Council of the City of Bedford, Virginia, and the Bedford County Board of Supervisors was held at the Bedford Area Chamber of Commerce Building at 4:30 p.m., June 29, 1992.

Council members present: Mayor G. Michael Shelton; Councilwoman Joanne A. Grahame; Councilman Payton M. Otey; Vice Mayor John M. Owen, III; Councilman Ronnie C. Rice; and Councilman James A. Vest.

Council members absent: Councilman Larry D. Brookshier.

City staff present: City Manager Jack A. Gross; City Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher.

Board members present: Chairman E. Anthony Ware, II; Vice Chairman James A. Teass; Supervisors Calvin Updike, A. A. Saarnijoki, Lucille Boggess, Dale Wheeler, and Henry Creasy.

Chairman Ware called the Board meeting to order.

Mayor Shelton called the Council meeting to order.

The Clerk of Council read aloud the called meeting notice which stated the purpose of the meeting as follows: to hold a special joint meeting of the Bedford City Council and the Bedford County Board of Supervisors to discuss the City's settlement offer in the annexation suit.

Supervisor Saarnijoki moved that the following resolution be adopted:

WHEREAS, the City of Bedford and the County of Bedford have been involved in legal conflicts stemming from the filing of two citizen-initiated annexations and a related suit filed by the County, involving in part the provision of water and sewer service by the City to areas of the County surrounding the City; and

WHEREAS, after lengthy negotiations by the City and the County, an agreement in principle has been reached to settle these legal conflicts.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of Bedford County, Virginia, that the Board of Supervisors hereby agrees in principle to the resolution of the pending litigation between the City and County involving the two annexation suits and a related suit filed by the County, and the provision of water and sewer service by the City to areas of the county, based on the following eight points:

1. City and County both agree to accept the recommendations of the Commission on Local Government regarding the two annexation suits. The two properties will be annexed into the City and the County will be reimbursed as per Commission on Local Government's recommendations.
2. County agrees to drop legal action against the City with prejudice.

3. City agrees to allow approximately 108 additional residential water connections to its water system. These connections are basically unimproved lots in existing subdivisions. All of these connections are single-family residential hookups in platted subdivisions and are also individually identified and marked in a series of maps prepared by Dave Ballard, City Engineering Project Manager, and John Dooley, County Community Development Planner.
4. City also agrees to allow one additional water and sewer connection for the Wal-mart Shopping Center out-parcel. Maximum usage will be limited to approximately the equivalent usage of McDonalds.
5. City agrees to allow a water connection to the property owned by INV 20 next to the Wal-mart Shopping Center.
6. County agrees to a phase-out of the 15 percent cap on water and sewer rates in the County. There will be no increase in the rate cap during the Fiscal Year 1992-93. The City and County agree that there will be an increase in the rate cap to County customers of 10% per year for the succeeding five years, after which there will be no rate cap. City agrees to notify County prior to raising rates in the County. City and County further agree to conduct a rate study based upon the cost to provide service to County customers. This study will serve as the basis for determining actual rates to be charged to County citizens who are customers of the City of Bedford's water and/or sewer system. The details pertaining to this study are not a part of this settlement agreement and will be worked out at a later date.
7. City and County agree not to entertain any further requests for extension of City water and/or sewer service into the County except for joint economic development efforts.
8. The City agrees to a four-year moratorium on City-initiated annexation and a position of neutrality on any citizen-initiated annexation requests beginning July 1, 1992. During this time the City and County agree to discuss the option of expanding the City's water and sewer system in the future to serve additional areas of the County surrounding the City if either party desires to explore this option.

BE IT FURTHER RESOLVED, by the Board of Supervisors of Bedford County, Virginia, that the County Administrator, County Attorney, and Board members selected by the Chairman shall work with their counterparts from the City to develop the appropriate legal documents for final approval by the City and County based on the eight points addressed in this resolution. The agreement in principle described in this resolution reflects the understanding of the parties as to the proposed settlement and shall become binding upon the parties only when reduced to one or more final documents which are approved by official action of the City Council and the Board of Supervisors.

A brief discussion ensued.

The Board approved the resolution by the following roll call vote:

Supervisor Wheeler	no
Supervisor Updike	yes
Supervisor Creasy	yes
Supervisor Teass	yes
Supervisor Ware	yes
Supervisor Saarnijoki	yes
Supervisor Boggess	yes

The Clerk of Council read aloud the following proposed resolution:

A RESOLUTION APPROVING AN AGREEMENT IN PRINCIPLE TO  
 SETTLE A CONTROVERSY BETWEEN THE CITY AND THE COUNTY  
 INVOLVING TWO ANNEXATION SUITS AND A RELATED SUIT FILED  
 BY THE COUNTY, AND THE PROVISION OF WATER AND SEWER SERVICE  
 BY THE CITY TO AREAS OF THE COUNTY

WHEREAS, the City of Bedford and the County of Bedford have been involved in legal conflicts stemming from the filing of two citizen-initiated annexations and a related suit filed by the County, involving in part the provision of water and sewer service by the City to areas of the County surrounding the City; and

WHEREAS, after lengthy negotiations by the City and the County, an agreement in principle has been reached to settle these legal conflicts.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Bedford, that the City Council hereby agrees in principle to the resolution of the pending litigation between the City and County involving the two annexation suits and a related suit filed by the County, and the provision of water and sewer service by the City to areas of the county, based

on the following eight points:

1. City and County both agree to accept the recommendations of the Commission on Local Government regarding the two annexation suits. The two properties will be annexed into the City and the County will be reimbursed as per Commission on Local Government's recommendations.
2. County agrees to drop legal action against the City with prejudice.
3. City agrees to allow approximately 108 additional residential water connections to its water system. These connections are basically unimproved lots in existing subdivisions. All of these connections are single-family residential hookups in platted subdivisions and are also individually identified and marked in a series of maps prepared by Dave Ballard, City Engineering Project Manager, and John Dooley, County Community Development Planner.
4. City also agrees to allow one additional water and sewer connection for the Wal-mart Shopping Center out-parcel. Maximum usage will be limited to approximately the equivalent usage of McDonalds.
5. City agrees to allow a water connection to the property owned by INV 20 next to the Wal-mart Shopping Center.
6. County agrees to a phase-out of the 15 percent cap on water and sewer rates in the County. There will be no increase in the rate cap during the Fiscal Year 1992-93. The City and County agree that there will be an increase in the rate cap to County customers of 10% per year for the succeeding five years, after which there will be no rate cap. City agrees to notify County prior to raising rates in the County. City and County further agree to conduct a rate study based upon the cost to provide service to County customers. This study will serve as the basis for determining actual rates to be charged to County citizens who are customers of the City of Bedford's water and/or sewer system. The details pertaining to this study are not a part of this settlement agreement and will be worked out at a later date.
7. City and County agree not to entertain any further requests for extension of City water and/or sewer service into the County except for joint economic development efforts.
8. The City agrees to a four-year moratorium on City-initiated annexation and a position of neutrality on any citizen-initiated annexation requests beginning July 1, 1992. During this time the City and County agree to discuss the option of expanding the City's water and sewer system in the future to serve additional areas of the County surrounding the City if either party desires to explore this option.

BE IT FURTHER RESOLVED, by the City Council of the City of Bedford that the City Manager, City Attorney, and Council members selected by the Mayor shall work with their counterparts from the County to develop the appropriate legal documents for final approval by the City and County based on the eight points addressed in this resolution. The agreement in principle described in this resolution reflects the understanding of the parties as

to the proposed settlement and shall become binding upon the parties only when reduced to one or more final documents which are approved by official action of the City Council and the Board of Supervisors.

Councilman Rice moved that the resolution be accepted as read. The motion was seconded by Councilman Otey.

A brief discussion ensued.

The motion was then voted upon and carried by the following roll call vote:

Councilwoman Grahame	aye
Councilman Otey	aye
Vice Mayor Owen	aye
Councilman Rice	aye
Councilman Vest	aye
Councilman Brookshier	absent
Mayor Shelton	aye

Chairman Ware appointed Supervisors Saarnijoki and Teass to a committee along with the County Administrator and County Attorney to work out specific details and the proper legal steps necessary to end the lawsuits.

Chairman Ware made a statement regarding the spirit of cooperation between the County and the City, and the numerous agreements for joint services that are already in effect.

The Mayor stated that City Council has its reorganizational meeting on July 1, and at that time the City/County Relations Committee will be charged with working with staff and the counterparts from Bedford County to develop the documents relative to the resolution passed by Council.

Mayor Shelton made a statement regarding continuing the cooperation between the City and the County. In reaching the agreement in principle, Mayor Shelton acknowledged the efforts of the Commission on Local Government; the judicial system of the Commonwealth of Virginia; and the Bedford City and Bedford County Officials, both elected and appointed; who have developed the framework on which the eight points of the resolution have been based.

Councilman Rice made a statement encouraging City Council and the Board to work together.

Chairman Ware adjourned the Board meeting.

Mayor Shelton adjourned the Council meeting at 4:55 p.m., until 8:00 a.m., July 1, 1992, for the purpose of reorganizing City Council.